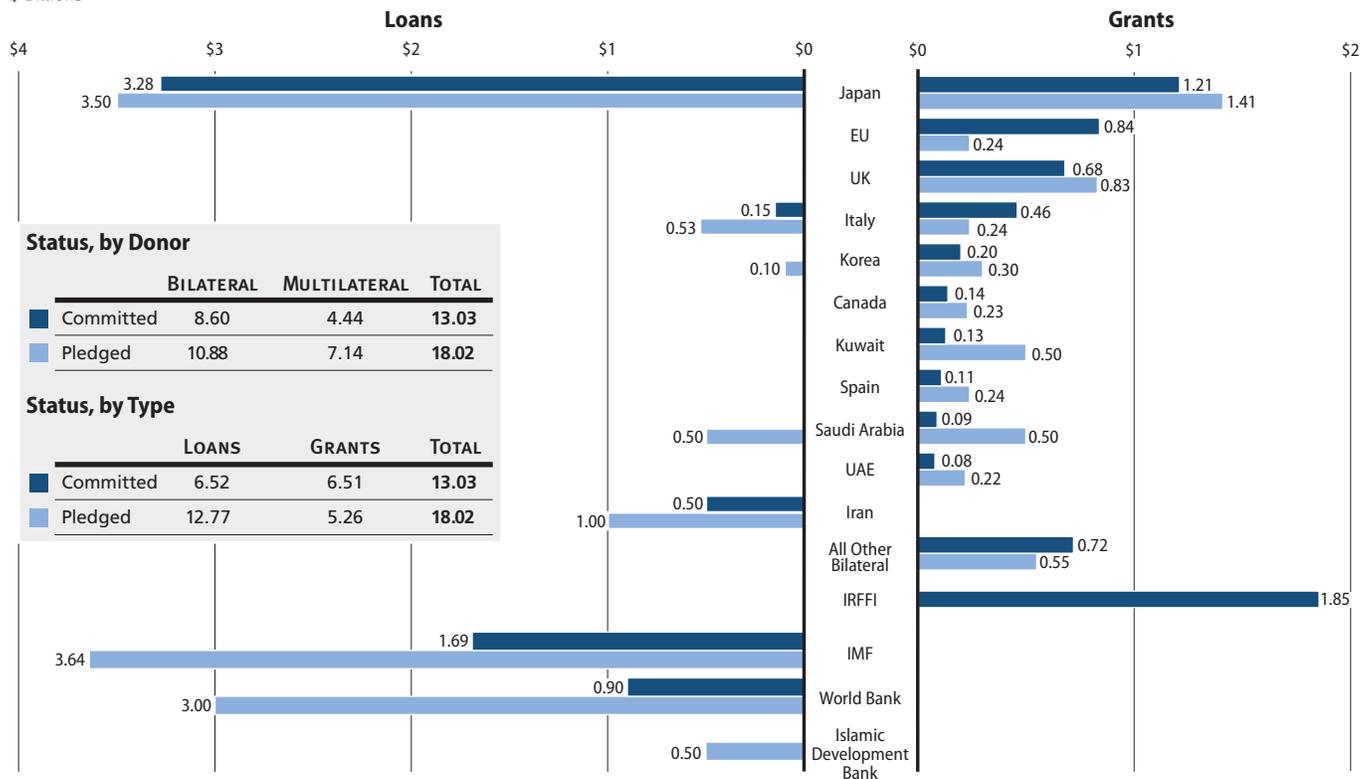


# INTERNATIONAL DONOR ASSISTANCE TO THE GOI

Donor assistance to the GOI includes bilateral and multilateral development assistance in loans and grants. As of September 30, 2011, the Department of State (DoS) reported \$18.02 billion in total donor pledges, including \$5.26 billion in grants

and \$12.77 billion in loans.<sup>1</sup> Donor commitments totaled \$13.03 billion—\$6.51 billion in grants and \$6.52 billion in loans.<sup>2</sup> For an overview of bilateral and multilateral development assistance, see Figure C.1.

FIGURE C.1  
INTERNATIONAL GRANTS AND LOANS, BY TYPE OF ASSISTANCE, STATUS, AND DONOR, AS OF 9/30/2011  
\$ Billions



Note: Data not audited. Numbers affected by rounding. Bilateral commitments exclude IRFFI deposits. Amounts may differ from prior quarters due to changes in foreign exchange rates.

Sources: NEA-I, responses to SIGIR data calls, 4/5/2011, 4/7/2011, and 7/12/2011.

## Bilateral Development Assistance

As of September 30, 2011, \$8.60 billion in bilateral assistance had been committed to Iraq.<sup>3</sup> The largest international (non-U.S.) donors include Japan, which has committed \$4.49 billion through grants and loans, and the European Commission (EC), which has committed \$0.84 billion through grants.<sup>4</sup>

## Multilateral Development Assistance

As of September 30, 2011, \$4.44 billion in multilateral assistance has been committed to Iraq. Multilateral development assistance includes loan commitments and pledges from the World Bank, International Monetary Fund (IMF), and Islamic Development Bank (IDB), as well as the International Reconstruction Fund Facility for Iraq (IRFFI) grants funded by donor deposits.<sup>5</sup>

## International Reconstruction Fund Facility for Iraq

The IRFFI was launched in 2004 to help donor nations channel their resources and coordinate support for reconstruction and development in Iraq. The facility comprises the World Bank Iraq Trust Fund (WB ITF) and the United Nations Development Group Iraq Trust Fund (UNDG ITF). No new IRFFI projects will begin after the end of 2010; project completions and disbursements are to take place no later than December 31, 2013.<sup>6</sup> As of September 30, 2011, 25 IRFFI donors, including the United States, had committed \$1.86 billion for Iraq reconstruction.<sup>7</sup> The largest IRFFI contributors are the European Commission (\$774 million in IRFFI deposits), Japan (\$492 million), and the United Kingdom (\$127 million).<sup>8</sup>

## World Bank

The World Bank funds several programs to support the GOI in addressing reconstruction needs:

- restoring basic services
- supporting private-sector development
- enhancing social safety nets
- improving public-sector governance

This support for Iraq reconstruction is funded primarily through the World Bank Iraq Trust Fund. WB ITF commitments to the IRFFI total \$497 million.<sup>9</sup> The cutoff date for donor's contributions for the WB ITF was December 31, 2008, and donors have agreed to terminate the fund on December 31, 2013. By this deadline, all WB ITF funding must be disbursed, and all projects will be completed.<sup>10</sup> As of August 31, 2011, the WB ITF has financed 26 projects, six of which have been fully implemented and closed. The remaining 20 projects are currently under implementation.<sup>11</sup>

The World Bank has provided assistance to Iraq to develop social services through its International Development Association (IDA). Five IDA loans have been approved for Iraq, totaling \$508.5 million.<sup>12</sup> For the status of these projects, see Table C.1.

## United Nations

UNDG ITF commitments to the IRFFI total \$1.36 billion. The UNDG ITF has approved 201 projects.<sup>13</sup> The cutoff date for donor contributions for the UNDG ITF was June 30, 2009; any funds that were not committed to a specific project by December 31, 2010, would be returned.<sup>14</sup> To meet this requirement, the UN agreed that no new projects would be approved after June 30, 2010.<sup>15</sup> The remaining UN funds were deposited in the UN's general Multilateral Donor Trust Fund and will go to support activities overseen by the UN Assistance Mission for Iraq (UNAMI).<sup>16</sup>

TABLE C.1  
**WORLD BANK IDA LOANS**  
 \$ Millions

PROJECT NAME	PROJECT AMOUNT	APPROVAL DATE	IMPLEMENTING AGENCY	DESCRIPTION	STATUS
Third Emergency Education	\$100.0	11/2005	Ministry of Education	Assists the Ministry of Electricity through reducing school overcrowding and strengthening its capacity to improve the quality of teaching and curricula.	Construction of 12 schools is underway. The MoE has made important decisions to resolve longstanding issues including land ownership. The capacity building for curriculum development and teacher training is progressing slowly.
Emergency Road Reconstruction	\$135.0	6/2006	Ministry of Construction & Housing	Assists in the rehabilitation of highways and village access roads by focusing on highly damaged segments. Critical river crossings will be restored and capacity to maintain the network will be improved.	The Um Qasr-Az Zubair carriageway rehabilitation contract has been awarded. In the north, the carriageway from Erbil to Altun Korpi is now open to traffic. All contracts for access roads were completed in late 2009. Approximately 300 villages and communities will have access to these roads.
Dokan and Derbandikhan Hydropower	\$40.0	12/2006	KRG Ministry of Electricity	The plan aims to upgrade electricity supply in the Kurdistan region and the national grid. The project will directly impact an estimated 490,000 households and benefit industrial consumers.	The project is progressing within budget. The project should still be completed by September 2012. All contracts have been finalized except for the Derbandikhan switchyard.
Emergency Electricity	\$124.0	3/2007	Ministry of Electricity	Aims to restore the base-load generating capacity of the Hartha power plant and build capacity at the Ministry of Electricity.	Project implementation is underway and construction of the boiler for Unit 2 has commenced. Projects disbursements should steadily increase with significant progress being made beginning in 2012.
Emergency Water Supply	\$109.5	6/2008	Ministry of Municipalities and Public Works	Intends to improve the quantity and quality of water availability in four high-priority provinces. Assists the GOI on developing a sustainable policy for the water sector.	The project has progressed slower than expected. The PMT will monitor the status and speed up progress. The MMPW will allocate \$10 million to cover construction costs of the water distribution network in Wassit and Mainmona.

Source: IRFFI, *World Bank Operations in Iraq Data Sheet*, 8/2011.

## Sources for International Donor Information

SIGIR continues to note the challenges in reporting on international contributions to Iraq reconstruction. As Iraq shifts to normalized relations with the international community, the United States is less able to track international funding. Efforts by international donors now focus on helping Iraq sustain its progress. While some donors continue to support Iraq with technical assistance, economic development projects, and project financing, others are focusing on building relationships based on conventional trade and investment.<sup>17</sup> The Department of State's Bureau of Near Eastern Affairs-Iraq (NEA-I) does not expect substantial additional increases in donor commitments for Iraq reconstruction.<sup>18</sup>

## Department of State

NEA-I provides SIGIR with quarterly updates on international pledge and commitment figures from donor countries and international organizations.

## Iraq Development Management System

The Iraq Development Management System (IDMS), which was established to enable Iraq's Ministry of Planning to track capital projects, was not available this quarter. As of July 15, 2011, the last date on which SIGIR pulled data from the IDMS, the system reported total commitments of \$6.03 billion and disbursements of \$3.20 billion.<sup>19</sup> For an overview of Iraqi donor spending by sector reported in the IDMS, see Table C.2.

Previously, the IDMS had provided a web-based application to help manage government and donor-funded development projects in Iraq.<sup>20</sup> However, there was no standard reporting requirement for

donors to provide data and no set time frame for updates to the IDMS to be completed. The inconsistent nature of IDMS reporting requirements resulted in significant differences between figures reported by NEA-I and IDMS. For an overview of these differences, including committed, pledged, and disbursed amounts, see Figure C.2. ♦

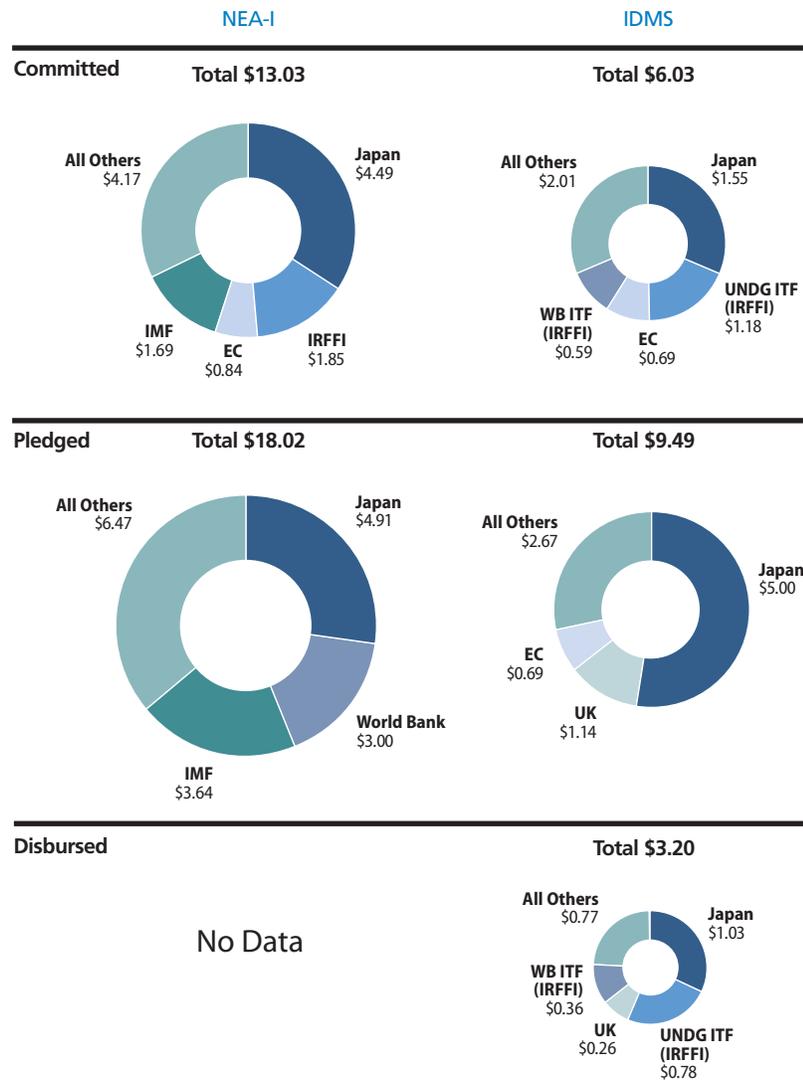
TABLE C.2  
**DONOR PROJECTS, BY SECTOR**  
\$ Millions

SECTOR	COMMITTED	DISBURSED
Infrastructure	1,083.67	807.32
Health	618.81	508.75
Governance and Democracy Development	611.66	429.59
Education, Science, and Culture	375.56	292.85
Agriculture, Food, and Fishing	368.52	190.83
Housing, Labor, and Social Affairs	358.09	299.73
Environment	324.37	259.68
Security	231.14	190.87
Economic Development	204.07	72.46
Unspecified/Unclassified	116.80	78.96
Energy	38.75	30.62
Enterprise and Industry	14.00	9.39
Unallocated	10.60	5.26
Economic Recovery And Poverty Allevation	7.80	4.50
Water and Sanitation	0.71	0.71
<b>Total</b>	<b>4,364.55</b>	<b>3,181.53</b>

Note: Data not formally reviewed, audited, or verified. Numbers affected by rounding. Data excludes U.S.-funded projects.

Source: GOI, Iraq Development Management System, [www.mop.gov.iq/idms](http://www.mop.gov.iq/idms), accessed 7/15/2011.

FIGURE C.2  
**COMMITTED, PLEDGED, AND DISBURSED FUNDS, NEA-I VS. IDMS REPORTING**  
 \$ Billions



Note: Numbers affected by rounding. Amounts may differ from prior quarters due to changes in foreign exchange rates.

Sources: NEA-I, responses to SIGIR data calls, 4/5/2011, 4/7/2011, and 7/12/2011; GOI, Iraq Development Management System, [www.mop.gov.iq/idms](http://www.mop.gov.iq/idms), accessed 7/15/2011.

## Endnotes

1. NEA-I, responses to SIGIR data calls, 4/5/2011, 4/7/2011, and 7/12/2011.
2. NEA-I, responses to SIGIR data calls, 4/5/2011, 4/7/2011, and 7/12/2011.
3. NEA-I, responses to SIGIR data calls, 4/5/2011, 4/7/2011, and 7/12/2011.
4. NEA-I, responses to SIGIR data calls, 4/5/2011, 4/7/2011, and 7/12/2011.
5. NEA-I, responses to SIGIR data calls, 4/5/2011, 4/7/2011, and 7/12/2011.
6. NEA-I, response to SIGIR data call, 4/2/2009.
7. NEA-I, responses to SIGIR data calls, 4/5/2011, 4/7/2011, and 7/12/2011; IRFFI, “Donor Commitments to the World Bank Iraq Trust Fund and United Nations Development Group Iraq Trust Fund,” 9/30/2010.
8. NEA-I, responses to SIGIR data calls, 4/5/2011, 4/7/2011, and 7/12/2011.
9. IRFFI, “Donor Commitments to the World Bank Iraq Trust Fund and United Nations Development Group Iraq Trust Fund,” 9/30/2010.
10. IRFFI, “Final Statement of IRFFI Donor Committee Meeting,” Naples, Italy, 2/18/2009.
11. IRFFI, *World Bank Operations in Iraq Data Sheet*, 8/2011.
12. IRFFI, *World Bank Operations in Iraq Data Sheet*, 8/2011.
13. UNDG, “UNDG Iraq Trust Fund – Projects by Theme,” [mdtf.undp.org/factsheet/fund/ITF00](http://mdtf.undp.org/factsheet/fund/ITF00), accessed 10/13/2011.
14. IRFFI, “Final Statement of IRFFI Donor Committee Meeting,” Naples, Italy, 2/18/2009.
15. IRFFI, “Final Statement of IRFFI Donor Committee Meeting,” Baghdad, Iraq, 11/8/2009.
16. NEA-I, response to SIGIR data call, 4/2/2009.
17. NEA-I, response to SIGIR data call, 7/2/2009.
18. NEA-I, response to SIGIR data call, 7/13/2009.
19. GOI, Iraq Development Management System, [www.mop.gov.iq/idms](http://www.mop.gov.iq/idms), accessed 7/15/2011.
20. USAID, responses to SIGIR data calls, 10/4/2010 and 1/3/2011.